

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/17/11

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.  
Heflin, Louisiana

As of and for the year ended December 31, 2010

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# JAMIESON, WISE & MARTIN

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WM. PEARCE JAMIESON, C.P.A. (1991)

## MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## ACCOUNTANTS' COMPILATION REPORT

The Board of Commissioners  
Heflin Volunteer Fire Department, Inc.  
Heflin, Louisiana

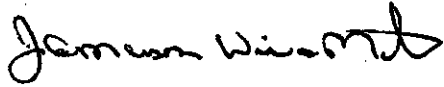
We have reviewed the accompanying Statement of Financial Position of the Heflin Volunteer Fire Department, Inc. as of December 31, 2010 and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, We do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, We are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The Other supplemental Information Schedules beginning on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. We have not audited or reviewed that schedule and, accordingly, do not express an opinion or any other form of assurance on it.

A handwritten signature in black ink, appearing to read "James W. Smith". The signature is fluid and cursive, with a large initial "J" and a stylized "S".

Minden, Louisiana

July 26, 2011

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Financial Position  
December 31, 2010

ASSETS

Current Assets

Cash 13,858

Property Plant & Equipment

Property Plant & Equipment 569,769

Less Accumulated Depreciation (321,898)

Total Property Plant & Equipment 247,871

Total Assets 261,729

LIABILITIES AND NET ASSETS

Liabilities:

Total liabilities -

Net Assets Unrestricted 261,729

Total Liabilities and Net Assets 261,729

# HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

## Statement of Activities For the year ended December 31, 2010

	<u>2010</u>
<b>REVENUES</b>	
Fire Protection Fees	\$ 58,000
2% fire rebate	5,396
Webster Parish Police Jury	691
LA Department of Agriculture	16,595
Reeves Insurance	634
Donation	100
FEMA Grant	<u>142,500</u>
Total revenues	<u>223,916</u>
<b>EXPENSES:</b>	
Program Services:	
Advertising	-
Legal and professional	700
Office supplies and postage	381
License and fees	55
Truck expense	860
Repairs and maintenance	9,795
Utilities	3,305
Training Materials	-
Fire fighting equipment and supplies	12,823
Insurance	11,257
Depreciation	<u>24,387</u>
Total expenditures	<u>63,563</u>
 Increase in Unrestricted Net Assets	 160,353
 Net Assets at beginning of year	 <u>101,376</u>
 Net Assets at End of Year	 <u>\$ 261,729</u>

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Cash Flows

Year Ended December 31, 2010

	<u>2010</u>
<b>Cash flows from operating activities:</b>	
Increase in net assets	\$ 160,353
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	<u>24,387</u>
Net cash provided by operating activities	<u>184,740</u>
<b>Cash flows from investing activities:</b>	
Payments for property and equipment	<u>(181,336)</u>
Net cash (used) in investing activities	<u>(181,336)</u>
<b>Cash flows from financing activities:</b>	<u>-</u>
Increase in cash and cash equivalents	3,404
Cash and cash equivalents at beginning of year	<u>10,454</u>
Cash and cash equivalents at end of year	<u>\$ 13,858</u>

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements  
December 31, 2010

**NOTE 1. Nature of Organization and Significant Accounting Policies**

The Heflin Volunteer Fire Department, Inc.(Fire Department) was formally established in 1998 to assist in fire prevention in the Heflin, Louisiana area. Heflin Volunteer Fire Department's support is derived primarily from an agreement with the Webster Parish (Heflin) Fire Protection District #12.

**Basis of Accounting**

The accrual basis of accounting is used by the Fire Department whereby revenues are recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

The Fire Department has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Fire Department is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Fire Department is required to present a statement of cash flows.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and disclosures. Accordingly, actual results could differ from those estimates.

**Fixed Assets**

Fixed assets are recorded at cost or, if donated, at the approximate fair value at the date of donation. It is the Chamber's policy to capitalize expenditures for fixed assets in excess of \$500. Depreciation is computed under the straight-line method based on the estimated useful lives of the individual assets. The useful life varies from 5 years to 25 years.

Maintenance and repairs are charged to the change in net assets when incurred. Betterments and renewals are capitalized. The cost of assets sold or retired and the amounts of accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gains or losses are included in the change in net assets.



**HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements**

**December 31, 2010**

**Revenue Recognition**

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

**Cash and cash equivalents**

For the purposes of the statement of cash flows, the Fire Department considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Income Taxes**

The Fire Department is a nonprofit corporation and is exempt from income taxes under section 501(c)(6) of the Internal Revenue Code. Accordingly, there is no provision for income taxes in these financial statements.

**NOTE 2. Related Party Transactions**

The Webster Parish Fire District #12 has a working relationship with Heflin Volunteer Fire Department. The Fire District collects the ad valorem taxes and transfers the money as needed to the Fire Department, which maintains fire protection services in the area.

**NOTE 3. Subsequent Events**

Subsequent events have been evaluated through July 26, 2011. This date represents the date the financial statements were available to be issued.

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**ATTESTATION REPORT**  
**Heflin Volunteer Fire Department**

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Heflin Volunteer Fire Department

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Heflin Volunteer Fire Department, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Heflin Volunteer Fire Department's compliance with certain laws and regulations during the fiscal year ended December 31, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Heflin Volunteer Fire Department is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Federal, State, and Local Awards*

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Any Quasi-Public Agency's federal award expenditures for all federal programs for the fiscal year follow:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
FEMA Assistance to Firefighters Grant	2010	97.044	142,500
Total Expenditures			142,500

2. For each federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

Only one check, Check # 1425 in the amount of \$169,070, was written in 2010 related to expenditures from the grant.

3. For the item selected in procedure 2, we traced the disbursement to supporting documentation as to proper amount and payee.

We examined supporting documentation for the disbursement and found that payment was for the proper amount and made to the correct payee.

4. For the item selected in procedure 2, we determined if the disbursement was properly coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursement received approval from proper authorities.

We considered the two signatures on the check and Steward Beatty's signature on the invoice approval.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursement for types of services allowed or not allowed. The disbursement met the requirement for an equipment purchase.

Eligibility

There were no eligibility requirements to be met per the grant award documents.

Reporting

We reviewed the previously listed disbursement for reporting requirements. It appeared the reporting requirements were met.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

The disbursement included one federal program that was closed out during the period of our review. We compared the close-out report for that federal program with the Heflin Volunteer Fire Department's financial records. The amounts reported on the close-out reports agreed to the agency's financial records.

### *Open Meetings*

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Heflin Volunteer Fire Department, Inc. does not hold formal meetings. Meetings held are informal and no public notice is given. There are no minutes kept and no minute book. Discussion of operations is discussed during meetings of the Webster Parish (Heflin) Fire Protection District #12 meetings.

### *Budget*

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Heflin Volunteer Fire Department provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds and plans showing specific goals and objectives that included measures of performance.

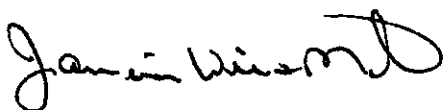
### *Prior Comments and Recommendations*

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the compilation for the year then ended December 31, 2009, there was one comment concerning budgeted. No further action is required.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Heflin Volunteer Fire Department, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Jamieson, Wise & Martin

July 26, 2011

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

6/21/11 (Date Transmitted)

Jamison Wise & Martin  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Auditors)

In connection with your review of our financial statements as of  
December 31, 2012 and for the period then ended, and as required by  
Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the  
following representations to you. We accept full responsibility for our compliance with the  
following laws and regulation and the internal controls over compliance with such laws and  
regulations. We have evaluated our compliance with the following laws and regulations prior to  
making these representations.

These representations are based on the information available to us as of (date of  
completion/representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state and local award expenditures for the fiscal  
year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our  
accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of  
original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local  
programs we administer, to include matters contained in the OMB Compliance Supplement,  
matters contained in the grant awards, eligibility requirements, activities allowed and unallowed,  
and reporting and budget requirements.

Yes ☒ No ☐

### Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes [☒] No [ ]

### Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [☒] No [ ]

### Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

\_\_\_\_\_  
Date Secretary

\_\_\_\_\_  
Date Treasurer

*Stewart Beatty*  
Date 6-21-11  
\_\_\_\_\_  
Fire Chief  
President

## SUPPLEMENTAL INFORMATION SCHEDULES

Heflin Volunteer Fire Department, Inc.  
Schedule of Compensation Paid Board Members  
December 31, 2009

The following serve on the Board of Commissioners without compensation:

Joseph R. Beatty	President
Stewart Beatty	Chief
Gene Jones	Assistant Chief
Wayne Wood	Captain
Paul Miques	Captain
Harold Thompson	Treasurer

See accountants' report.



Heflin Volunteer Fire Department  
Schedule of Current Year Findings  
December 31, 2010

**2010-1 - Filing of Financials with Legislative Auditor**

Criteria: State and local government and quasi public agencies, as defined in Louisiana Revised Statute (R.S.)24:513, are required to provide annual financial reports to the Legislative Auditor's Office

Heflin Volunteer Fire Department is a quasi-public entity. However since it receives state funds from the 2% fire rebate it is required to report to the Legislative Auditor within 6 months of year end: A not-for-profit that receives or expends any local or state assistance in any fiscal year. (Act 1045, 2010 Regular Session).

Condition: Report was not filed with 6 months of yearend.

Cause of Condition: 2009 was first year required to file. In 2010 requirement was a compilation. In 2010 Fire Department also received a Federal Grant which caused revenue to increase to level of a review/attestation. Records were given to accountant with expectation of a compilation. Additional time was required to complete review/attestation.

Effect of Condition: Report was unable to be filed by June 30, 2011. Management requested an extension until July 31, 2011 to file report.

Recommendation: At time of engaging CPA management should review total revenue received to identify filing requirements needed for the Legislative Auditor.

Management Response: Management has reviewed the reporting requirements and will ensure reports are filed timely in the future.

Heflin Volunteer Fire Department  
Summary Schedule of Prior Year Findings  
December 31, 2010

1. Heflin Volunteer Fire Department does not have a budget as of December 31, 2009.  
Budgets provide direction and planning for an organization.

Management Comment – Fire Department receives fees from the Fire District for providing fire protection. The expenses for repairs, utilities and insurance are the main expenses and are discussed as needs arise. Management has a general idea of expenses it will incur however the need to put in writing has not been seen since again items are discussed on an as need basis before expenditures occur.

Resolution: No further follow required.